

NINE MILE FALLS SCHOOL DISTRICT No. 325/179
Spokane County, Washington
September 1, 1993 Through August 31, 1994

Schedule Of Federal Findings

1. The District Should Strengthen Its Review Procedures For Time Distribution Documentation

During our testing of allowable charges to the district's Chapter 1 program, we noted time distribution errors for one employee who was providing services to the Chapter 1 program and three other special education programs. From September 1993 through March 1994, this employee made a variety of errors in preparing time distribution documents. The net result was that more hours were charged to the Chapter 1 program than actually performed.

U.S. Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State and Local Governments*, states in part:

Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. The method used should produce an equitable distribution of time and effort.

Because of the time distribution reporting errors, the district's Chapter 1 program requested and received \$3,063 in excess of allowable costs. Thus we are questioning \$3,063 in costs charged to the Chapter 1 program.

This condition occurred because the employee was filling out time distribution documents incorrectly. It continued for seven months because supervisory review did not detect the errors.

We recommend the district contact the Superintendent of Public Instruction to resolve this matter.

We further recommend the district improve the effectiveness of supervisory review and approval of time distribution documents.